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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000210

SIPDIS

EUR/SCE (HYLAND, FOOKS), NSC FOR HELGERSON

E.O. 12958: DECL: 02/20/2019

TAGS: [PREL](#) [PGOV](#) [PINR](#) [KDEM](#) [BK](#)

SUBJECT: BOSNIA - CRIMINAL REPORT AGAINST DODIK SPARKS  
OUTCRY IN RS

REF: SARAJEVO 206

Classified By: Ambassador Charles English. Reasons 1.4 (b) and (d).

11. (C) SUMMARY: The criminal report that the State Investigation and Protection Agency (SIPA) filed with the State Prosecutor's office against Republika Srpska (RS) PM Milorad Dodik and his associates (Reftel) has sparked a well-coordinated chorus of complaints from the RS. These grievances ignore the substance of the report, but rather they take issue with the "procedural errors" in the report's transmission from SIPA to the State Court and the Court's handling of the report. RS politicians have accused the Bosnian state of establishing parallel institutions designed to bring down Dodik. The RS government in a special session on February 20 echoed those accusations and declared that the RS will reassess its cooperation with state-level law enforcement bodies. OHR and other contacts tell us that while there may have been some procedural missteps or misjudgments in how the report was handled, the report was the expected consequence of the longstanding preliminary investigation into alleged RS corruption. The handling of the report should have no legal impact on any subsequent indictments, but we expect Dodik and his allies to use their complaints about how the report was handled to detract attention from the gravity of the alleged criminal offenses it contains. END SUMMARY.

SIPA Director and Chief Prosecutor Plead Ignorance  
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12. (C) On February 19 -- the day the news of the report broke -- SIPA director Mirko Lujic declared indignantly to the press that he "knew nothing about the report" and that Assistant Director Dragan Lukac had filed the report with the State Prosecutor's Office without consulting or even informing Lujic. He opined that there "seems to be a separate agency within SIPA." Lukac subsequently declared that OHR had directed him to circumvent his boss. (Comment: Our contacts tell us that Lujic has been under substantial pressure from Dodik and Spiric to drop the case, which may have factored into Lukac's decision to sign out the report on his own. Bad blood between Lukac and Lujic also may have played a role. End Comment.) Chief Prosecutor Milorad Barasin also claimed he learned about the report from the media. He confirmed that SIPA submitted the report to the Special Department for Organized Crime (SDOC) on February 17, but he contended that SDOC prosecutors failed to notify him that the long-expected report had arrived. He added that the report was not registered with the Protocol staff of the Prosecutor's Office, which is a breach of procedure, but this may have been because the report arrived after the Protocol office had closed but while SDOC officials were still at work.

13. (SBU) Dodik gave a passionate press statement, which all major news outlets carried, after news of the report leaked. He declared that "the RS government building is my pride. Everyone is welcome here and likes it, except those from the Federation. The Federation media is orchestrating this, and the SIPA Director and Chief Prosecutor were not involved at all. The law and legal procedures were not at all respected." He added that "after all this, there is no reason to believe in state institutions, either judicial or any other. If the SIPA Director, who is a Serb, was sidestepped -- along with Chief Prosecutor Barasin, who is also a Serb -- and if the scam is being carried out by representatives of other peoples against the RS, then one could realize how and why this was done." He added that "obviously this is a large scam" on the part of foreign prosecutors in the State Prosecutor's Office. He then told Federation TV (FTV), "I built the RS government building to make the Federation nervous. I want it to get on your nerves. Vidovic (FTV correspondent in Banja Luka), I hope you get high blood pressure and have a stroke. The group of jerks around Bakir (Hadziomerovic from the FTV show "60 minutes") is behind this. Lukac signed the report after fighting against the RS for a long time. He wants to abolish the RS and has killed people in the RS. We shall see how it will go and who will win, those jerks or me. FTV, fuck you!"

Serb Officials Rally Around Dodik

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14. (SBU) Deputy RS PM Anton Kasipovic echoed Dodik's comments about "parallel structures" within SIPA, adding that those structures will damage the international reputation of both SIPA and Bosnia as a whole. He opined that Dodik is the target of this report because he "personifies the success of the RS" and that those who filed the report hope to disrupt the entity's progress by "amputating" Dodik. He argued that it is no coincidence that this report was filed at a time of progress by Dodik's Alliance of Independent Social Democrats (SNSD) -- along with the Croatian Democratic Union (HDZ)-BiH and the Party of Democratic Action (SDA) -- on the PIC's requirements for OHR closure. He declared that "the trust between the European Community and Bosnia is now shaken." RS Justice Minister Dzerard Selman declared that this situation represents a "crash of the legal, judicial, and information system in Bosnia," adding that "we do not have the right to create a parallel state that hides under the name of Bosnian joint institutions." RS Finance Minister Aleksandar Dzombic opined that the report was designed to pressure Dodik and the RS because "someone would like to see the RS have the same financial and economic problems as the Federation." State-level Prime Minister Nikola Spiric opined that the fact that "such a thing was hidden and done by certain ethnic groups shows that parallel institutions exist in Bosnia with the aim of making the country unstable." He added that it is not possible to have a state in which Serb officials are ignored except to "go to the Hague or fill prisons in Sarajevo." He concluded that filing this report against Dodik, the man who "returned dignity to the RS," represents "blackmail and a special war" against him.

RS Government Session Condemns Report  
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15. (SBU) The RS government held a special session on February 20 and drew several conclusions about the report, among them:

-- The RS government will reassess its cooperation with state-level law enforcement institutions, as the RS government believes parallel structures exist within those institutions to the detriment of the RS.

-- The RS government perceives that RS representatives in state-level institutions are "surpassed and belittled."

-- The RS government demands that all relevant institutions eliminate fear and anxiety among RS and Bosnian citizens with respect to rule of law.

-- The RS government will not support the extension of the mandate for foreign judges and prosecutors who the RS government believes assume no responsibility toward the peoples and citizens of Bosnia. The RS government believes Bosnia and its own institutions have enough capacity to ensure the implementation of rule of law.

Comment: Complaints Are All for Naught

16. (C) OHR and other contacts assure us that no laws have been broken in the handling of this criminal report. According to OHR, whatever errors in judgment Lukac may have made in submitting the report to the State Prosecutor's Office without routing it through Lujic will not affect the legal proceedings that may flow from a decision by the State Prosecutor's Office to open a formal investigation (or investigations) based on the report. Moreover, for all their clamoring in the press, Lujic and Barasin are more than likely exaggerating their ignorance to protect themselves. Both men were fully aware that their respective institutions were engaged in a long-standing preliminary investigation of Dodik and his associates and should have anticipated that it would eventually result in a formal criminal report. Both have also received threats for allowing their institutions to pursue it. The reaction by Dodik and other RS officials has been both viscerally emotional and calculated. As far as the report itself is concerned, the aim appears to be to detract attention from the serious allegations it contains.

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